know-how, which had not been procured along with the main equipment, being a one time buy. Repair by Russian experts was not considered economical and therefore, not resorted to.

Since adequate efforts were made to repair the missiles, no action is warranted against any official.

(c)and (d) Do not arise in view of answer at (b) and (e).

Procurement of TFCS from Yugoslavia

1113. SHRI KHANGEN DAS: Will the Minister of DEFENCE be pleased to state:

(a) whether Government had entered into a contract with Yugoslavia for procurement of Thermal Fire Control System (TFCS) by paying advance of Rs. 27.63 crores;

(b) whether it is a fact that this system was never delivered; and

(c) why sufficient safeguards were not taken in the form of Bank Guarantee or other to ensure that the advance account does not go waste?

THE MINISTER OF DEFENCE (SHRI GEORGE FERNANDES): (a) Yes, Sir.

(b) Yes, Sir. Due to the UN Security Council ban on Trade with Yugoslavia under Article 724, the system was not delivered by the vendor.

(c) Sufficient safeguards were provided in the contract by incorporating a clause for the vendor to provide a Bank Guarantee to cover the advance payment. Subsequently, efforts were made to invoke the Bank Guarantee in consultation with Legal Adviser and MEA but these efforts failed to recover the advance payment.

Shortfall in performance of MIG-29

1114. SHRI KHAGEN DAS: Will the Minister of DEFENCE be pleased to state:

(a) whether CAG Audit has observed that there is 64.58 per cent shortfall in performance of MIG-29 aircraft;

(b) whether it is a fact that 74 per cent of MIG-29 engines costing Rs. 326 crores failed pre-maturely and had to be withdrawn; and